

Permanent Building Fund

Analyst: Freeman

Historical Summary

OPERATING BUDGET	FY 2008 Total App	FY 2008 Actual	FY 2009 Approp	FY 2010 Request	FY 2010 Gov Rec
BY FUND CATEGORY					
Dedicated	197,351,200	42,090,100	52,805,900	36,782,000	36,782,000
Percent Change:		(78.7%)	25.5%	(30.3%)	(30.3%)
BY OBJECT OF EXPENDITURE					
Capital Outlay	197,351,200	42,090,100	52,805,900	36,782,000	36,782,000

Division Description

The Permanent Building Fund budget includes construction and maintenance costs for state buildings, including those at the universities and community colleges, funded from the Permanent Building Fund. The process is under the direction of the Permanent Building Fund Advisory Council (PBFAC), which is appointed by and serves at the pleasure of the Governor. The council is composed of a member from the Senate, a member from the House of Representatives, a contractor, a banker, and a person from the business community. Throughout the year, the council reviews and must give approval to all planning, design and construction of state public works projects.

There are seven statutory sources of revenue that are dedicated to the Permanent Building Fund. In addition, the Legislature occasionally appropriates General Funds into the Permanent Building Fund.

An additional tax (colloquially called the "head tax") is required when filing an income tax return. Every person and corporation required to file a return pays a tax of ten dollars (§63-3082, Idaho Code), which is credited to the Permanent Building Fund (§57-1110, Idaho Code).

Five million dollars per year is continuously appropriated and set aside from the Sales Tax Fund to the Permanent Building Fund (§63-3638, Idaho Code).

Cigarette tax collections are based on a rate of 57¢ per package of 20 cigarettes. The revenue from this tax is distributed as follows. The Public School Income Fund (PSIF) and Department of Juvenile Corrections each both receive 5.1746 cents per pack. The remaining amount per pack is distributed as follows: the Permanent Building Fund receives 17.3%; the Central Tumor Registry Fund receives 0.4% (to a maximum of the legislative appropriation); the Cancer Control Fund receives 1%; the General Fund receives an amount equal to the appropriation for the Bond Levy Equalization Program. All remaining revenues flow to the Permanent Building Fund to be used to repair, remodel, and restore the Capitol and related facilities. (§63-2520, Idaho Code)

A tax of \$4.65 per barrel of 31 gallons, and a like rate for any other quantity or fraction thereof, is levied and imposed upon each and every barrel of beer sold for use within the State of Idaho. Thirty-three percent of the proceeds are deposited directly to the Permanent Building Fund (§23-1008, Idaho Code).

One-half of state lottery earnings are distributed to the permanent building fund (§67-7434, Idaho Code).

The Permanent Building Fund retains the interest earnings from its funds that are invested by the State Treasurer (§57-1108, Idaho Code).

Interest earned on the Budget Stabilization Fund is credited to the permanent building fund (§57-814(1), Idaho Code).

Permanent Building Fund Agency Profile

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FY 2010 Permanent Building Fund Comparison			
	Agency Request	PBFAC Recommend	Governor's Recommend
REVENUE			
Beginning Balance	\$ 880,921	\$ 880,921	\$ 880,921
1. Income Tax Filing Fee - \$10 Head Tax	\$ 7,109,821	\$ 7,109,821	\$ 7,109,821
2. Cigarette Tax (43.3% of net collections)	\$ 6,175,111	\$ 6,175,111	\$ 6,175,111
3. Beer Tax (33% of net collections)	\$ 1,578,417	\$ 1,578,417	\$ 1,578,417
4. Sales Tax (fixed amount)	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000
5. Lottery Dividends	\$ 17,500,000	\$ 17,500,000	\$ 17,500,000
6. Budget Stabilization Fund Interest	\$ 4,767,175	\$ 4,767,175	\$ 4,767,175
7. Capitol Mall Parking Receipts	\$ 120,000	\$ 120,000	\$ 120,000
8. Permanent Building Fund Interest	\$ 6,409,345	\$ 6,409,345	\$ 6,409,345
Transfer for Elected Officials' Rent	\$ (1,830,000)	\$ (1,830,000)	\$ (1,830,000)
TOTAL REVENUE	\$ 46,829,869	\$ 46,829,869	\$ 46,829,869
TOTAL FUNDS AVAILABLE	\$ 47,710,790	\$ 47,710,790	\$ 47,710,790
EXPENDITURES			
Dept of Administration Operating Budget:			
Division of Public Works	\$ (2,890,100)	\$ (2,890,100)	\$ (2,890,100)
Bond Payments	\$ (8,310,759)	\$ (8,310,759)	\$ (8,310,759)
Sub-total Admin Operating Budget	\$ (11,200,859)	\$ (11,200,859)	\$ (11,200,859)
Remaining Available Revenue:	\$ 36,509,931	\$ 36,509,931	\$ 36,509,931
Alteration, Maintenance & Repair Projects:			
Alteration & Repair	\$ 13,620,800	\$ 13,620,800	\$ 13,620,800
ADA Compliance	\$ 745,000	\$ 745,000	\$ 745,000
Asbestos Abatement	\$ 445,576	\$ 445,576	\$ 445,576
Demolition Projects	\$ -	\$ -	\$ -
Capitol Mall Maintenance	\$ 120,000	\$ 120,000	\$ 120,000
Restore Prior Year Revenue Shortfall	\$ 4,776,555	\$ 4,776,555	\$ 4,776,555
Sub-total Alterations & Repairs	\$ 19,707,931	\$ 19,707,931	\$ 19,707,931
Capital Construction Projects:			
1. CORR: ICIO, Maintenance Bldg	\$ 940,000	\$ 940,000	\$ 940,000
2. UI: Kibbie Dome Repairs	\$ 17,000,000	\$ 4,500,000	\$ 4,500,000
3. NIC: Remodel/Renovate Seiter Hall	\$ 4,345,000	\$ 4,345,000	\$ 4,345,000
4. ISHS: Museum Expansion	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000
5. DHW: ISSH Water System	\$ 1,705,000	\$ 1,705,000	\$ 1,705,000
6. LANDS: Purchase St. Joe Admin site	\$ 312,000	\$ 312,000	\$ 312,000
All Other Capital Requests	\$ 202,522,350	\$ -	\$ -
Sub-total Capital Projects	\$ 231,824,350	\$ 16,802,000	\$ 16,802,000
TOTAL (Alt. & Rep./Capital Projects)	\$ 251,532,281	\$ 36,509,931	\$ 36,509,931
Ending Balance		\$ -	\$ -

7. IPTV: Renovation of Space - The Council also recommended **\$272,000** from cigarette tax revenue for Idaho Public Television for upgrading designated basement space in the J.R. Williams building to house IPTV's studio and Legislature Live control room. Section 63-2520(b)(5), Idaho Code, provides that after all other statutory distributions of cigarette tax revenue, "... all moneys shall be distributed to the permanent building fund with the moneys to be used for the repair, remodel and restoration of the state capitol building and state facilities pertaining to the capitol restoration ..."
- The Governor recommends \$272,000.**

Note: The Capitol restoration and expansion is not included in this table.

Permanent Building Fund

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Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2009 Original Appropriation	0.00	0	52,805,900	0.00	0	52,805,900
Reappropriation	0.00	0	153,373,500	0.00	0	153,373,500
FY 2009 Total Appropriation	0.00	0	206,179,400	0.00	0	206,179,400
Removal of One-Time Expenditures	0.00	0	(206,179,400)	0.00	0	(206,179,400)
FY 2010 Base	0.00	0	0	0.00	0	0
Replacement Items	0.00	0	19,708,000	0.00	0	19,708,000
FY 2010 Program Maintenance	0.00	0	19,708,000	0.00	0	19,708,000
1. Maintenance Shop	0.00	0	940,000	0.00	0	940,000
2. Kibbie Dome Repairs	0.00	0	4,500,000	0.00	0	4,500,000
3. Remodel/Renovate Seiter Hall	0.00	0	4,345,000	0.00	0	4,345,000
4. Museum Expansion	0.00	0	5,000,000	0.00	0	5,000,000
5. State School & Hospital Water System	0.00	0	1,705,000	0.00	0	1,705,000
6. Purchase St. Joe Admin Site	0.00	0	312,000	0.00	0	312,000
7. Renovation of IPTV Space	0.00	0	272,000	0.00	0	272,000
FY 2010 Total	0.00	0	36,782,000	0.00	0	36,782,000
Change from Original Appropriation	0.00	0	(16,023,900)	0.00	0	(16,023,900)
% Change from Original Appropriation			(30.3%)			(30.3%)

Permanent Building Fund

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2009 Original Appropriation	0.00	0	52,805,900	0	52,805,900

Reappropriation

The agency was authorized to reappropriate and carryover its unencumbered and unspent appropriation balance from FY 2008 into FY 2009. Carryover required legislative approval and is removed as a one-time expenditure before calculating the next year's base. This reflects several years of carryover due to the time frames for planning, design and construction of capital projects.

Agency Request	0.00	0	153,373,500	0	153,373,500
Governor's Recommendation	0.00	0	153,373,500	0	153,373,500

FY 2009 Total Appropriation					
Agency Request	0.00	0	206,179,400	0	206,179,400
Governor's Recommendation	0.00	0	206,179,400	0	206,179,400

Removal of One-Time Expenditures

Agency Request	0.00	0	(206,179,400)	0	(206,179,400)
Governor's Recommendation	0.00	0	(206,179,400)	0	(206,179,400)

FY 2010 Base					
Agency Request	0.00	0	0	0	0
Governor's Recommendation	0.00	0	0	0	0

Replacement Items

After reviewing requests from all state government agencies and entities for maintenance projects, the Advisory Council recommends funding based on projected revenues. The Advisory Council recommends \$13,620,800 of the \$80,015,400 in non-agency funded projects requested for alteration and repair of state buildings and facilities. The Council also recommends \$745,000 of the \$2,587,500 requested for ADA compliance, \$445,600 of the \$469,600 requested for asbestos abatement projects, \$120,000 for capitol mall parking, and \$4,776,600 to reinstate FY 2009 projects which were put on hold due to permanent building fund revenue shortfalls.

Agency Request	0.00	0	19,708,000	0	19,708,000
Governor's Recommendation	0.00	0	19,708,000	0	19,708,000

FY 2010 Program Maintenance					
Agency Request	0.00	0	19,708,000	0	19,708,000
Governor's Recommendation	0.00	0	19,708,000	0	19,708,000

1. Maintenance Shop

Corrections

This would construct a 4,000 SF metal building to be used for a maintenance shop at Idaho Correctional Institution - Orofino (ICIO). The current maintenance shop is composed of several small offices inside the institution. This situation creates a breach of security with tools and hazardous materials located inside the institution and poses health problems because there are no provisions for exhausting welding and paint fumes.

Agency Request	0.00	0	940,000	0	940,000
Governor's Recommendation	0.00	0	940,000	0	940,000

2. Kibbie Dome Repairs

University of Idaho

This would augment \$10 million in institutional funds to eliminate serious life safety issues associated with the Kibbie Dome.

Agency Request	0.00	0	4,500,000	0	4,500,000
Governor's Recommendation	0.00	0	4,500,000	0	4,500,000

3. Remodel/Renovate Seiter Hall

North Idaho College

This would provide funding to remodel the former science building (Seiter Hall) into general classroom space, which in the past was primarily a laboratory classroom facility. This project would include substantial mechanical and electrical work, energy conservation upgrades, and roof repair. In addition the project would bring the facility up to current ADA code standards.

Agency Request	0.00	0	4,345,000	0	4,345,000
Governor's Recommendation	0.00	0	4,345,000	0	4,345,000

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
4. Museum Expansion					
Historical Society					
In FY 2009, the Historical Society requested \$10 million for the expansion of the Idaho State Historical Museum. The Permanent Building Fund Advisory Council recommended and the Legislature funded \$5 million with the understanding that the Historical Society would request an additional \$5 million in FY 2010. This project would expand the existing 29,000 square feet (SF) facility by an additional 43,000 SF which will increase exhibition, provide an auditorium to enhance public education, and allow increased opportunities to feature major traveling exhibits. The current cost estimate for new construction and remodeling is \$14 million. The Historical Society has committed to raising the remaining \$4 million to fully fund the project.					
Agency Request	0.00	0	5,000,000	0	5,000,000
Governor's Recommendation	0.00	0	5,000,000	0	5,000,000
5. State School & Hospital Water System					
Department Health & Welfare					
This would provide funding for campus water system improvements that are necessary due to the results of a water study required by the Department of Environmental Quality, and to meet fire flow requirements for the ISSH campus set by the State Fire Marshall. It will also be the basic system support to a number of new facilities being constructed at ISSH, some of which are already funded.					
Agency Request	0.00	0	1,705,000	0	1,705,000
Governor's Recommendation	0.00	0	1,705,000	0	1,705,000
6. Purchase St. Joe Admin Site					
Department of Lands					
This would purchase land from the City of St. Maries. Following the expiration of a fifty year easement, a temporary lease has been in place which expires in June of 2009. The Department of Lands must either purchase the land the St. Joe area administrative office occupies or vacate the land and relocate the facility.					
Agency Request	0.00	0	312,000	0	312,000
Governor's Recommendation	0.00	0	312,000	0	312,000
7. Renovation of IPTV Space					
Idaho Public Television					
This would enable the remodel of designated basement space in the J.R. Williams building to provide studio and control room space for Legislature Live and Idaho Reports. This would be funded with cigarette tax revenues as it relates to the Capitol restoration and expansion.					
Agency Request	0.00	0	272,000	0	272,000
Governor's Recommendation	0.00	0	272,000	0	272,000
FY 2010 Total					
Agency Request	0.00	0	36,782,000	0	36,782,000
Governor's Recommendation	0.00	0	36,782,000	0	36,782,000
Agency Request					
Change from Original App	0.00	0	(16,023,900)	0	(16,023,900)
% Change from Original App			(30.3%)		(30.3%)
Governor's Recommendation					
Change from Original App	0.00	0	(16,023,900)	0	(16,023,900)
% Change from Original App			(30.3%)		(30.3%)